

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office  
FLOOR DEBATE

May 15, 2001

LB 536

before we proceed with this kind of a program. Now, Senator Chambers mentioned an amendment that would...that would make production incentives depend upon conditions faced by ethanol producers, one...one...an idea which...which seems reasonable to me. Now, I'm told by proponents that that's really not very practical because...well, I'm not sure why, because we don't know exactly...know what economic conditions ethanol producers face, or because if the subsidies were based on current...or based on conditions rather than just a steady stream that somehow bankers would not be willing to finance the operation. I find that hard to understand because certainly it's counter to what happens in other sorts of businesses and other sorts of financing arrangements. My experience is that a financing arrangement or in a financing arrangement a financier or banker is going to be concerned that when conditions get tough that there is revenue generated so that he can receive, he, he or she, the banker can receive their principal and interest payments. Well, certainly a program that made those payments only when conditions were tough and particularly a program that actually made higher payments in those conditions than what the original bill proposed would make sense. I...I still don't understand why that isn't a reasonable way to proceed. And, as I mentioned, another advantage of that sort of a proposal is that people who are interested in ethanol, and I am one of those, I...I have tried to be up-front about the fact that I not only buy ethanol occasionally, Senator Schrock, not always, but I...I buy it occasionally, I do feed the by-products, so I am intensely interested in those by-products being available so, therefore, I am interested in ethanol plants being around. I simply think that the best way for me and others in my profession, or occupation, or whatever, would find it more helpful to be in a position where we make the call about ethanol incentives than to have it go through the Legislature. I don't think that there's a need for General Fund money. I think that...that this is certainly something that can be sustained by using excise taxes, checkoffs, taxes on by-product feeds, from those who directly benefit or are intended to benefit from those operations. And I would mention again that the...I'm told by some that, well, you're upsetting the applecart. We've al...

SENATOR DWITE PEDERSEN PRESIDING